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SECRET**INTRODUCTION**

The areas which the Soviet Union controls as satellites represent an important gain for her so far as agriculture is concerned. Although their total area is not large in comparison with the total area of the Soviet Union, their agricultural capacity represents a considerable percentage of the agricultural capacity of the Soviet Bloc. For example, figured as of 1929, the seven satellite states (Finland and the Soviet Zones of Germany and Austria are not considered satellites in the strict sense) have 52 percent as much arable land as the USSR, more than 70 percent as much pasture and grazing land, 55 percent as much wheat-producing area, 95 percent as much barley-producing area, 36.9 percent as much grain-producing area, 50 percent as many cattle, and 125 percent as many pigs. Although the figures have changed somewhat in the meantime in favor of the Soviet Union, they may serve to show the general magnitude of the satellites' contributions in agriculture.

The Southeastern European countries are predominantly a grain-growing region, with wheat and corn the principal types grown. The first agrarian reform in these areas caused considerable losses in production but little change in the types of crops. Grain-growing remained in the lead, and the growing of vegetables, oil plants, and industrial crops increased only very slowly.

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~~however, rapidly reduced their grain-growing area.~~

Poland and Czechoslovakia ~~reduced~~ wheat and corn were in the foreground in ~~southeastern~~ Europe. Growing of corn partly replaced the growing of fodder plants. In 1929, before the world agricultural crisis, Hungary, Rumania, Bulgaria, and Yugoslavia grew 8 861 000 hectares of corn as compared to 7 134 000 hectares of wheat. ^{figures for} Fodder planting (see statistics, Table 6) and vegetable growing (see Statistics, Table 7) show clearly Poland's and Czechoslovakia's intensive ~~cultivation~~ (also Hungary's in respect to ~~fodder plants~~) and the one-crop condition in the agriculture of ~~southern~~ Europe before the beginning of the ~~the~~ world agricultural crisis. The first agricultural reform caused considerable losses in production, but little ~~in~~ change ^{e. i. types of crops, grain -}. Corn-growing remained ~~outstanding~~, and the industrial growing of vegetables, oil plants, and ~~grain~~ plants increased only at a slow pace.

The Satellite States' Exports

of Agricultural Products.

All Satellite States had a considerable amount of agricultural surplus before the world agricultural crisis.

Czechoslovakia, the most industrialized ~~country~~ of the satellites, had the ~~only~~ which had ~~to~~ import ~~five~~ million dz (dz = Doppelzentner = 100 kilograms) of wheat annually, but was exporting ~~five~~ million to eight million (raw half a ~~one~~ million dz of barley, ~~one~~ million dz of oats, and ~~one~~ thousand to eighty thousand dz of hops. Czechoslovakia was an export country for agricultural products, and ~~thus~~ as such ~~reached~~ a percentage of 15.2% the bulk of ~~her~~ before the world agricultural crisis. ~~However, her~~ animal products were consumed within the country ~~due to the great purchasing power of her~~ industrial population.

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apply to 70

Hungary was a typical agrarian export country. She exported ~~5-6~~ million dz of wheat, flour, rye, corn, raw sugar, pigs, pork, and eggs. ^{But; the original did not make clear what the} Her agricultural export products were ~~of improved quality and not subject to great~~ fluctuations. Hungary's export of agricultural products amounted to ~~sixty~~ 70 per cent of her total exports before the world agricultural crisis.

Poland's agricultural exports fluctuated greatly and therefore did not have the same importance as the exports of the other Southeast European countries. Poland did not have any assured grain surplus. Her imports and exports of grain fluctuated by about ~~xxxxxx~~ 4 million dz. The poor purchasing power in her domestic market made her feel the effect of the world market. Small farms, due to climatic conditions, concentrated on improving their products instead of one-crop grain-growing. In regard to what, imports exceeded exports. In regard to rye, her main food-stuff, exports exceeded imports. Poland exported barley, butter, eggs, pigs, and a considerable quantity of raw sugar. Her export of agricultural products amounted to one-third of her total exports before the world agricultural crisis.

In contrast to Poland, Romania is decisively an export country of agricultural products. Large domestic consumption of corn allows Romania to export substantial quantities of wheat, and also oats, barley, corn, cattle, pigs, and eggs. Exporting barley and corn for use as fodder shows clearly her agricultural character. Approximately fifty per cent of her exports were agricultural products.

In contrast to Romania's exports based on cereals, Yugoslavia exported a greater percentage of processed products. Her agricultural exports ~~xxx~~ included 1.4 billion dinars' worth of vegetable products as compared with 1.5 billion dinars' worth of animal products. Exports of meat and eggs exceeded the exports of corn and wheat.

Bulgaria's exports are of more varied character. In addition to wheat, rye, barley, and corn, she exports eggs and oats. More than ~~eighty~~ 80 per cent of her total exports are agricultural products.

After initial setbacks due to the first agrarian reform, East-Central Europe's

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agriculture provided substantial surpluses for the market. ~~The area~~ has great productive reserves, which ~~were~~ ^{have been} not made use of, because of ~~the~~ ^{decentralized} generally prevalent self-sufficiency systems, lack of agricultural knowledge and ability, and in particular because of the difficulties ~~of~~ accompanying ^{of} the agricultural world crisis, ~~which caused~~ agriculture to go into debt. Experts on Southeast-European agriculture think it possible ~~that~~ ^{to increase} agricultural production by thirty to fifty per cent. Overcoming the world agricultural ~~crisis~~ crisis and the transition to supply ^{slowly after 1959} the German market led those countries to ~~slowly~~ intensify their production by increasing the amount of processing and improving the quality of their vegetable products, thereby providing work for their surplus of agricultural workers. In spite of ~~having started~~ ^{beginning} of the process of improving the quality of their products, the Satellite States' exports of all types of grain amounted to 4.2 million tons in 1959, including 2.7 million tons of wheat and wheat ~~flour~~ flour. With the process of intensifying ~~and~~ ^{increase in the} their agriculture and the simultaneous ~~process~~ ^{of} increasing processing ~~and~~ industrial raw products, the standard of living of the ~~peasant~~ European agrarian population increased slowly, but it was not possible to ~~integrate~~ ^{integrate} the surplus of agricultural workers into the working process. The peaceful development of the East-Central European agriculture was interrupted by the outbreak of World War II, ^{which} ~~World War II conditions~~ radically changed the East-Central European agricultural conditions, bringing new reforms ^{into it} ~~production~~ which hindered the steady improvement of ~~its~~ productive development. Tables 8 and 9 show how large areas changed ownership during the second agrarian reform period and how privately owned large and medium-sized enterprises were completely liquidated. These reforms ~~necessarily~~ ^{necessarily} had to cause radical changes in agricultural production.

Production and Consumption of Agricultural

Products after World War II.

Because of the diversity of their agricultural production it is necessary to examine ~~separately~~ ^{the} ~~the~~ production of ~~the~~ individual countries.

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~~SECRET~~Poland:

Poland, with an area of 323,000 square kilometers and a population of 25 million,
the former Poland
in her present form from the time before World War II.
differs markedly in her present form from the time before World War II.
to the Soviet Union
Poland turned over 3.7 million hectares of land, or twenty per cent of her agricultural
post-war
territory. One-sixth of her agricultural land was completely
burned
destroyed after the war. Sixty-seven per cent of her cattle, 83 per cent of her
~~sheep~~, 63 per cent of her sheep, and 55 per cent of her horses were destroyed
during the war. Violent fighting to expel the Germans from their annexed western
areas caused extreme difficulties in ~~the~~ agricultural production. This was
the cause for Poland's eight million hectares of unutilized land in 1945;
agricultural land which, along with the rest of the cultivation // to steppe.
of this area, 1,400,000 hectares was land unutilized state by the end of 1946.
In 1949, 725,000 hectares of land were reported to be "in validated", which
will still leave three-quarters of a million hectares. Under these circum-
stances it is not surprising that Poland's 1946/1947 grain harvest was 38 per
cent below prewar, her potato harvest 59 per cent, her sugar harvest 45
per cent, production of meat and milk amounted to 21 and 28 per cent, respectively.
compared with prewar, Poland's agricultural productivity in 1946/1947
amounted to only 45 per cent of her 1938 productivity. Her 1945/1946 total
planting area for wheat, rye, and oats was 61.6 per cent, for potatoes 86.2
per cent, and for sugar beets 77.8 per cent. In 1946/1947 it increased to
78 per cent, 101.1 per cent, and 93.8 per cent respectively. In 1946 her per
capita availability of wheat, rye, and barley was 101.1 kilograms net, and of
potatoes, 128 kilograms. In 1947 the respective quantities rose to 149.9 and
213 kilograms. Compared with 2,668 calories in 1938, the Polish consumer
received only 2,100 calories in 1947, and 2,250 calories in 1948. Poland went
through a serious food crisis in 1947. War damage, population transfers,
and poor weather conditions forced her to import. The discontinuation of
UNRA-aid to Poland in the beginning of 1947 aggravated the situation.
In 1947 Poland had a shortage of 600,000 tons of grain, while their average
exports had
grain imports // 1946/1947 amounted to 621,956 tons. //
In order to overcome the crisis and prevent the

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threatening cut ~~of~~ rations to 1,000 calories, Poland bought 300 000 tons of grain from the Soviet Union.

On 1 April 1948 Poland was able to ~~not~~ abolish rationing of sugar and potatoes. Abolishment of rationing of bread and flour followed on 1 November 1948. Her 1948 harvest was the first good harvest after World War II. In 1948 Poland harvested per hectare: 11 dz of wheat, 12.5 dz of rye, 104 dz of potatoes, and 120 dz of sugar beets. Poland is even able to offer 500 000 tons of potatoes to the Bizonia (not checked).

The good 1948 harvest made it possible for Poland to become self-sufficient in vegetable products. Her supply of animal products is ~~not~~ ^{less} favorable. ~~Her~~ stock of cattle is far below prewar ^{and} ~~now~~ there is a shortage ^{of} meat and fat. Meat is sold only three times a week. This caused dissatisfaction among workers. In order to ~~not~~ increase animal husbandry, large tax reductions are ~~offered~~ to farmers who engage in animal husbandry and fulfill their delivery quota. Taxes are particularly high in the newly annexed areas. In 1947 Poland was forced to import 93 000 head of cattle in addition to meat, rye, barley, and a bit of flour. In 1948 she again had to import 22 000 head of cattle, and also meat, butter, and fat. At the end of 1948 Poland had ~~again~~ a stock of 5 747 600 head of cattle, 3 647 000 of them cows, and 5.1 million pigs. In order to ~~satisfy~~ satisfy her most urgent needs, Poland will have to increase her stock of pigs by three million.

Poland's agricultural production also suffers from a shortage of work animals. ~~Only~~ ^{until} ~~by~~ 1949 ^{will} ~~her~~ own tractor industry ~~produce~~ 2 000 tractors ^{until 1949}. Also, her stock of horses needs to be increased by one-third in order to raise her 1949 agricultural production to ~~eighty~~ ⁸⁰ per cent of prewar within her present boundaries.

^{investment}

The quota for agriculture amounts to 14 per cent of the total investment quota, as compared with 37 per cent for industry, and 24 per cent for transportation. This corresponds to a total of 26.6 billion zlotys, less than the combined total for the coal, smelting, and metal industries ~~and~~ ⁱⁿ ~~the~~ ¹⁹⁴⁹ summer.

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which participate in the investment plan with almost 30 billion lotrys. Of the 26.6 billions allotted to agriculture 70 per cent are earmarked for agriculture in the annexed territory, while ~~barely~~ ^{barely} 8 billion lotrys ~~xxx~~ remain for the old territory. Of the short-term loan in 1947, Poland allotted 46 per cent for commerce, 40 per cent for industry, and 6.3 per cent for agriculture. This alone shows clearly the neglect of agriculture. /speedy build-up
~~financing~~ of her industry cannot be financed by industry's own capital. ^{done} ~~her~~ but must ~~be~~ come from agriculture. The Soviet agriculture had greater reserves, and therefore could ^{safely} ~~sober~~ her experiments more easily. The agriculture of the satellite states, suffering from domestic difficulties already, will have to suffer greatly ^{because of} ~~from~~ these sacrifices and ~~by~~ ^{of} their complete domestic transformation.

Poland's vegetable production can be increased substantially within the next few years. Particularly great increases in the production of oil plants (226 against 100 - 1947) and wheat (156 against 100 - 1947) are provided in the Three-Year Plan ending in 1949. Furthermore, the ~~pig~~ stock is to be raised from 100 - 1947 to 179 - 1949 (by 79 per cent from 1947 to 1949). Building up animal husbandry again will absorb a great part of Poland's surplus vegetable production ~~xxx~~ in the next few years, ~~to some~~. ~~xxx~~ Poland will be able to be self-sufficient even in bad times provided she manages her ~~economy~~ accordingly. However, her grain exports will not play a decisive role any longer, and her other agrarian exports will ~~not~~ decrease in importance. Poland's exports will consist mainly of coal and industrial products. Sugar may still have some importance among ~~the~~ her agricultural products. The quantity of exports of ~~processed~~ agricultural products will depend on the purchasing power in ~~her~~ domestic market and on ~~Poland's~~ need to export.

Czechoslovakia.

Czechoslovakia, with an area of 49,005 square kilometers and a population of

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12 325 000 in 1948, has foodstuff difficulties similar to Poland's, even though ~~from~~ As it was the case in Poland her agriculture suffered hardly at all ~~from~~ ^{from} the war. The second agrarian reform and the drought have caused a considerable drop ~~in~~ production ~~in~~ ⁱⁿ Czechoslovakia. With the exception of oil plants, which were taken care of particularly well during World War II, planted areas in 1946/1947 were considerably below 1937. Here, too, the forceful ousting of 3.5 million Sudeten-Germans caused the destruction and devastation of agriculturally intensive ~~work~~ border regions, and their yield is considerably less than before. Two-thirds of ~~area~~ ^{the} evacuated by the Sudeten-Germans remained untilled in 1947. The drought in 1947 caused an actual crop failure ~~harvested~~ ^{to} wheat amounted to only 57.9 per cent of the planned amount, potatoes 51.2 per cent, and sugar beets to 51 per cent. The 1947 crop failure made it necessary to import six billion Czech crowns' worth of wheat, ~~but~~ the potato shortage forced the discontinuation of alcohol production, and the shortage of sugar beets caused the country a great loss of export profits. This emergency situation increased the state's influence ^{control} in the field of food ~~pro~~. Food rations were cut beginning in November 1947. A "Chain action" was undertaken, ~~extending~~ ^{with} 2,000 representatives in 11,500 towns ~~(places)~~ taking inventory of the available amount of grain. However, the required ~~of~~ 114,000 railroad carloads ^{greater part of the} cars of flour grain and 3,000 railroad cars of potatoes had to be imported from abroad. The Soviet Union supplied 20,000 railroad cars of wheat, ~~and~~ ^{Not until} Brazil supplied the corn, Poland the potatoes, ~~only~~ the 1948 harvest, which fulfilled the plan by 81 to 96 per cent, ~~and assure~~ ^{were} the 1948/1949 food requirements, and even ~~make~~ a reserve ^{available}, thereby assuring Czechoslovakia of its food requirements in respect to vegetable products. Recognizing this situation, it is planned to further increase the planting of industrial plants, but decrease the planting area for flour grain, with the exception of wheat, ~~planting of~~ ^{causes} ~~also~~ by three per cent. The ~~of~~ sugar beets, which ~~were~~ disappointed ^{in 1948} increased to 127 per cent of pre-war area. Furthermore, it is planned to increase the planting of fodder plants in order to speed up animal production. The fodder shortage caused by the poor crop in 1946/1947 ~~and by the catastrophe~~ ~~crop failure~~ brought about a decrease in the stock of cattle, ~~which~~

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In 1948 bringing it to the lowest number since the end of the war, a substantial amount of slaughtering had to be carried out in 1947 ~~because of~~ to the fodder shortage, and meat rations were increased. This made it necessary to import meat from Denmark in 1948, and the shortage of milk and butter ~~had~~ has been overcome, ~~not yet~~ ~~at present~~. The aims of the Two-Year Plan were to greatly increase fodder production and to increase the production of pork by 100 per cent, thereby alleviating the dire need for fat. (It was also planned to increase the output of milk products by 75 per cent and of oilseeds by 45 per cent.) After being substantially lowered, however, these quotas could not be reached because of the drought, and they were included into the Five-Year Plan. Patterning establishments were introduced in state farms and unionized enterprises, and unions were urged to engage in fattening pigs from household waste in the outskirts of industrial settlements. Thus Czechoslovakia can overcome its meat and fat shortages in two to three years, even though her investment quota for agriculture in the Five-Year Plan is only 10 per cent. Considering that investments ~~are~~ mainly used to change the social structure of agriculture instead of directly increasing the amount of labor and capital, it ~~is~~ ^{to increase} clear that the ~~xx~~ effort on industry ^{being} ~~total emphasis~~ ^{in preference} greater than on agriculture, and therefore must slow down considerably the effort toward ^{in the Plan} ~~in the beginning~~, at first ~~since~~ intensify agriculture.

Mechanization of agriculture, ^{is another measure which will make it possible for} ~~will also bring to East-Central Europe great~~ to increase its reserves ~~of~~ for human consumption. In the same manner as Czechoslovakia now strives to replace work horses on small farms by cows, in order to ~~provide more food~~ yield ~~more~~ for her people, the use of tractors will make large ~~areas~~ available which can be used to ~~produce~~ yield food for human instead of animal consumption. The feed-growing areas, as in Czechoslovakia, can be used to expand animal husbandry [sic], because animals for meat instead of for draft power, ~~do not require~~ ~~for~~ fodder planting.

The gross value of vegetable production is to be raised by 11 per cent by 1953 ~~under~~ within the Five-Year Plan, and the gross value of all animal products by 86 per cent, compared with 1948. Paragraph 19 of the second section of the Five-Year Plan clearly provides for increased consumption of high-quality foods, i.e. milk, fats, pork, eggs, cheese, and wheat bakery goods, in order to

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~~absorb their surplus of vegetable products within their country by converting them into animal products or processed goods.~~

A special section of the Five-Year Plan is dedicated to the economic development of Slovakia. Because of west-east change ~~of cultivation~~ ^{The} ~~agriculture~~ in Czechoslovakia, Slovakia's agriculture is in particular need of development and has greater production reserves than Bohemia.

Czechoslovakia is self-sufficient and capable ^(also) ~~of~~ ^(well) still of a growing population. As far as her exports are concerned, agricultural products, with the exception of sugar, will not play an important role.

Hungary.

Hungary had an area of 92 916 square kilometers and a population of 9 333 000 in 1948. Despite her start to become more versatile in agriculture, her grain production was limited to grain ~~amounts~~ Next to Czechoslovakia, Hungary has the biggest industry (of the Satellite States) and the percentage of income from agriculture amounted to 36 - 43 per cent of the national income in the years before World War II. The last year of the war caused severe damage to Hungary's agriculture, estimated to amount to 3.68 billion pengos. Agricultural buildings 2.9 per cent, ~~of the~~ ^{of her} animal stock 60 per cent, and agricultural stock 78 per cent. The structure of Hungary's agriculture was changed to a greater extent than was the case in any other East-Central European country, by the second agrarian reform. In 1946/47

Hungary's agricultural productivity went down to only 55 per cent of 1938.

Compared with 1938/39 her planting areas for winter wheat, rye, and winter barley have decreased materially. Planting of summer barley, oats, and corn has increased, and even more so the planting of sugar beets and sun flowers.

As was the case in all East-Central European countries, and in the Soviet Union after the October Revolution, industrial goods supplied to agriculture were in insufficient quantities and at prices too high compared with the prices of agricultural products. The price squeeze made the recovery of agriculture more

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Significant

Several price increases in agricultural machinery made difficult. Moreover, several price increases in agricultural machinery made it impossible to satisfy the needs ~~of~~ of agricultural ~~machinery~~ machinery in newly established enterprises. Harvest results in 1947 were far below those of 1936 and 1937 because of the drought. Less than half the amount of wheat was brought in and other products were one-third below their proper quantities. Shortages in necessary equipment In spite of shortages in new enterprises, and 30 per cent of the enterprises without work animals, they succeeded in increasing the seed area for 1948 and fulfill the planned quota. The year 1947 was the first one after World War II that brought satisfactory harvest for Hungary. ~~for~~ ~~the~~ ~~first~~ ~~time~~ ~~in~~ ~~the~~ ~~country~~ ~~with~~ ~~the~~ ~~best~~ ~~ever~~ ~~production~~. The production of flour grain average results obtained ~~in~~ ~~the~~ ~~past~~ ~~year~~.

Hungary, too, went through a severe food crisis in 1947 and has not recovered from it yet. In 1947 the amount of food available for the total population was about three-fifths of the 1936/1939 quantity (flour grain 50.1 per cent, leguminous plants 52.6 per cent, meat 66.2 per cent, and fat 74.8 per cent). ~~the~~ ~~country~~ ~~now~~ ~~knows~~ ~~about~~ ~~the~~ ~~amount~~ ~~of~~ ~~food~~ ~~available~~ even now at present ~~is~~ the amount of food available in Hungary is insufficient. In 1948, 16,000 supervisors were assigned to oversee the threshing work ~~to~~ ~~assure~~ ~~the~~ ~~orderly~~ ~~delivery~~ ~~of~~ ~~grain~~, ~~using~~ ~~every~~ ~~effort~~ ~~possible~~. Hungary was able to avoid importing great quantities of food. Her stock of cattle has not yet recovered from its war damage, because of the drought. Experts believe at least ~~it~~ will take eight years to bring the stock of cattle back to its pre-war numbers.

The Three-Year Plan, providing only 20 per cent of total investments for agricultural purposes starting with 1 August 1947, curtails grain planting areas for wheat, barley, rye, and oats to 2,636,250 hectares, compared with a planting area of 3,031,830 hectares in 1935 to 1938. The ratio for grain of the total agricultural area will be 46 per cent ~~in future~~, compared with 54 per cent in pre-war years. (25.1 per cent for wheat, 91 per cent for rye, 8.6 per cent for barley, and 3.5 per cent for oats.) Nevertheless it is hoped that the yield will not be lower, because an effort is being made to raise the yield per hectare of the remaining area. On the other hand, planting areas for fodder plants are to be raised by 40 per cent,

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for beets by 56 per cent, for corn by 5 per cent, and for industrial plants
 the planting of rice
 by 36 per cent. Tobacco growing is to be increased, ~~as also~~ ~~maxxplanting~~ for
 purposes
 export, and it is planned to plant cotton, rubber, and oranges. Thereby
 Hungary will cease to rate among grain-exporting countries. Hungary will be
 able to raise ~~her~~ agricultural production and satisfy her domestic needs even
 in years yielding a poor harvest. In 1947 Hungary exported 370 million ~~forints~~
 worth of agricultural products, ~~mainly~~ consisting of fruit preserves, oil-cakes,
 clover, ~~lucerne~~, seeds, and beans, but no grain or animals. Hungary will be
~~hampered~~ ^{for a long} ~~part~~ of time because of the changeover in ~~her~~ agri-
~~wanting~~
 cultural structure; ~~she~~ still has one million people ~~about~~ ^{about} 1/4 of land; there
 are too many small farms not able to ~~survive~~ under conditions of a steppe climate;
 and the bitter resistance of new settlers against all kinds of unionization
~~lenders~~
~~the productivity of Hungarian agriculture because of chaotic~~
~~structures, means that the productivity of Hungarian agriculture in~~
~~agriculture is reduced because of internal struggle.~~
~~In the same~~ ^{has} ~~on the other hand~~ it is certain that Hungary ~~will~~ ^{has} to deliver grain to
 the Soviet Union via ~~Cop. eximbank~~, ~~which~~ to feed ~~her~~ own population,
 political restrictions and hindrances make it difficult to predict the develop-
 ment of Hungary's agriculture.

Yugoslavia.

Yugoslavia, with an area of 247,495 square kilometers and a population of 14.8 million in 1946, also suffered severely losses because of war events. In 1946/1947 Yugoslavia's agricultural production amounted to 57 per cent of ~~her~~ 1938 production. Only 73 per cent of the area planted in 1939 could be planted in 1945; in 1946 it rose to 96 per cent, and in 1947 ~~planted~~ areas ^{the} regained ~~its~~ pre-war ~~size~~ ^{magnitude}. The 1947 drought caused a food crisis in Yugoslavia, too. The food situation took a sudden change ^{for} the worse in March 1947. Because of over-collectivization the yield in the Bačka area dropped by two-thirds, and a period of starvation started also in the coastal regions, in Dalmatia, Bosnia, and the Herzegovina. In November 1947 ~~it was~~

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radical attempt was made to seize all available grain. Regardless of the actual amount harvested, 75 per cent of the production quota had to be delivered. Yugoslavia instituted ~~a~~ six-class rationing system, ~~using~~ the Soviet pattern, and allowing from eight to eighteen kilograms of corn monthly. This radical method ~~of~~ seizing grain did not ~~exactly~~ show the result expected.

In order to avoid starvation Yugoslavia was forced to import 100,000 tons of wheat in 1947. In spite of her good 1946 harvest the food situation improved very little, presumably because grain was exported to Northern Greece and to Albania. Yugoslavia's food consists mainly of bread and corn, while meat is hard to get. The loss of animal stock due to World War II (the stock of horses has decreased by 48 per cent, of cattle by 28 per cent, and of sheep by 31 per cent) has not yet been overcome, because drought and diseases have hindered building it up again. The year 1948 is supposed to be the last year to yield a corn harvest of four million tons. Then, according to the Five-Year Plan more stress is to be placed on industrial plants. The 1947 - 1951 Five-Year Plan provides a 152-per cent increase in agricultural production over pre-war levels, in spite of the fact that only 10 per cent of the investment sum has been earmarked for agriculture. The planting area for wheat, industrial and fodder plants, and vegetables is to be increased by one million hectares. One-half of this area is to be gained by increasing the agricultural planting area from 7,235,000 hectares to 7,700,000 hectares, and the other half by decreasing the planting area for corn. To equalize this decrease the yield of corn fields is to be raised by 20 per cent per hectare. The area for industrial plants is to be raised to two-and-one-half times its size.

~~had done~~ Yugoslavia did everything to keep her agricultural exports, because ~~this~~ they were absolutely necessary to make up for imports of machinery. Her difficult position toward the Soviet Union forced Yugoslavia to raise her agricultural exports in order to be able to import the ~~necessary~~ needed machinery she needed. In spite of her difficulties with regard to agricultural production, the ratio of agricultural products exported amounted to 34.9 per cent of her total exports in 1947. The change of her agricultural structure, ^{which was} slowed down because of fuel shortages (at times the ~~Machine Tractor Stations~~ were forced to discontinue

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operations because of fuel shortages), caused little friction in Yugoslavia because her collectivization process was slower and more voluntary than it would have been under Cominform direction. Collectivization is carried ~~through~~^{out} gradually and not in form of ~~a~~ ^{an abrupt change in control} ~~one~~ ^{being} ~~reform~~ ^{allowing}. Contrary to other satellite states, Yugoslavia has given preferences to ~~her~~ agricultural population by ~~1/1/1/1~~ ^{the} farmers more favorable prices, to be offset by ~~her~~ industrial workers. This preferential treatment was necessary in 1947 because of ~~her~~ dangerous food ~~shortage~~ ^{shortage}; but as long as the purchasing power is concentrated in ~~her~~ villages it will be impossible to even ~~nearly~~ approach the investment quotas fixed in the Five-Year Plan. Also, in trade policy ~~Yugoslavia goes her~~ own way. In the changeover to cotton, linseed, soy beans, and sunflowers, ~~she~~ followed the same ^{bitter} pattern as her neighbors, but not ~~as~~ as far as wheat is concerned. To build up her stock of animals, an increase in the stock of pigs from 3.5 million in 1946 to 6 million in 1951 is provided ^{which should} ~~in spite~~ overcome the fat shortage. However, despite her radical collectivization experiments ~~1/1/1/1~~ in the Backa, which failed in the meanwhile, Yugoslavia treated ~~her~~ farmers ^{psychologically} well and ~~she~~ tried to keep ~~her~~ agricultural exports in spite of ~~her~~ far-reaching industrialization program. The development of Yugoslavia's agriculture and ~~her~~ agricultural exports cannot be predicted, because politics play a far-reaching role in them. Yugoslavia does not ~~more~~ deliver concealed reparation deliveries to the Soviet Union as ~~she~~ did in 1947, when ^{large} shipments of animals ^{were sent to the Soviet Union via Cop.} of her products for ~~any longer~~ ^{any longer} Yugoslavia can free large quantities ~~of~~ agricultural exports because ~~her~~ production is at ~~her~~ own disposal. The quickly growing urban population in Yugoslavia will increase her requirements for ^{processed} ~~quality~~ foods, and in spite of all attempts to intensify her agricultural production, her agricultural exports will not reach its former importance again.

Rumania.

Rumania, with an area of 237,203 square kilometers (on 25 January 1948) and a population of 15,872,624, has 76.7 per cent of ~~her~~ working population in agriculture and forestry. Rumania was not able to bring ~~her~~ agricultural exports ^{back} to

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the former level after her first agrarian reform because of a lack of knowledge
 and capital of her new farmers. Rumania, too, suffered severe losses by events
 of World War II. Compared with 1937/1938 her planting areas ~~xxxxxx~~ for corn,
 wheat (to a little over one-third), barley (not quite to one-half), rye, potatoes,
 sugar beets, in short, all her agricultural products decreased materially.

The ^{Agrarian} lower planting area is mainly due to the second agrarian reform, when new
 and inexperienced farm ^{all} owners were set up ~~for~~ who also lacked the necessary work animals to work their
 land intensively. The conservative character of the Rumanian farmer made any
 quick changeover in agricultural production impossible. In 1941 ~~xxxxxx~~ they
^{/0}

~~100%~~ lacked ten per cent of the seeds for approximately 10 million ^{Agrarian} hectares ~~xxxxxx~~
 in 1947.
 of land/ Two years of complete drought, yielding only 550 to 650 kilograms of
 wheat per hectare in 1947, led to a crop failure. Of 3.6 million hectares of
 corn planted only one million tons - 2.8 kg per hectare - were harvested in 1946.

The lack of a winter crop in 1947 ~~xxxxxx~~ helped to reduce the harvest to
^{1947 was 50%} 50 per cent of normal. Only in 1948 was a normal harvest brought in. Difficulties
 in agricultural production were aggravated by the hastily carried out unionization
 of farm work in Banat and the ~~1947~~ complete exclusion of Germans ^{from} the
 agricultural production process. Hunger prevailed in the Moldavia region in 1947.
 Rumania, the agrarian export country, was forced to import one million tons of
 corn, wheat from Bulgaria, and potatoes and beans from Czechoslovakia and Hungary.
^{and up} compulsory
~~100%~~ Shortages had to be ~~xxxxxx~~ by imports in spite of stern measures and of
 the Soviet Union's foregoing her grain reparation deliveries.

because of the lack of
~~xxxxxx~~ Rumania's stock of animals ~~xxx~~ decreased by the war and by fodder.
 The stock of horses and pigs decreased to a little over one-half. ~~the~~ stock of
 horses ^{was scarcely} ~~had hardly~~ two-thirds of pre-war, in 1948, which in itself ~~xxx~~ greatly
 hampers Rumania's plan of intensifying her agriculture. However, ~~the~~ stocks of
 cattle and sheep have surpassed pre-war stand. Rumania is by nature mainly a grain
 planting region. Rumania exports wood and crude oil before World War II ~~xxx~~
^{Because} she was not
~~xxxxxx~~ forced to change her agriculture into raising ~~xxxxxx~~ more
 industrial plants. At present Rumania is changing over to growing sunflowers,

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tobacco, rice, and other special products. Her agricultural productivity in 1947 amounted to 57 per cent of her pre-war productivity. *) The 82 billion Lei Rumanian economic plan neglects agriculture in favor of her heavy industry, and the amount allotted to agriculture is not meant for intensifying it, but is meant to provide ~~the~~ credits, machinery, and tractors, in order to further the changeover from individual enterprises to collectives. This forced industrialization of Rumania combined with the social change ⁱⁿ agriculture hampers any speedy intensification of this backward farming country. The food crisis that occurred in 1947 was a rare ~~experience~~ and can be prevented in future by planned stock-piling. To what extent Rumania will be able to export agricultural products in future depends on the development ^{of} her still very low domestic consumption. The great investments provided in the Five-Year Plan make it necessary to curtail the consumption of products ~~not~~ ^{daily used} ~~and everyday living~~, reducing sharply the consumption of food, particularly of processed products. Rumania, being a direct neighbor of the Soviet Union, will under no circumstances be allowed to have a higher standard of living than the Soviet Union. This is another reason for carrying out her planned economy - and the control of food - rigidly, embarked for exports all food quantities not needed for domestic consumption ~~and imports of~~ industrial products. Rumania, too, will change from ~~being~~ a predominantly agrarian state to an industrial-agrarian state, and the process of industrialization will absorb the ~~number~~ of unproductive consumers of agricultural products, which will lead to intensify her agriculture in the long run.

*) Marginal note: This comparison is not quite convincing because the fertile land of Bessarabia was then part of Rumania.

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SECRETBulgaria.

Bulgaria, with an area of 110,273 square kilometers (in 1947) and a population of 7,020,863 (at the beginning of 1947), having 23 per cent of her population living in towns and 77 per cent in the country, differs greatly from the ~~fore-~~
mentioned countries. With ten hectares of land ~~fixed~~ fixed as the maximum to be pri-

vately owned, only 2 per cent of ~~her arable~~ land was affected by the agrarian reform, which caused no appreciable loss in production. Damages caused by World War II were extremely small. Contrary to all other East-Central European countries

Bulgaria's loss in animals was negligible. Nevertheless ~~if~~ her food situation was also very bad in 1947. This shows that natural conditions ~~if~~ greater ~~adverse effect~~ had a ~~adverse effect~~ on the ~~poor~~ harvests. ~~than~~ the changes ~~in~~ in agricultural structure carried out during the year. Food imports surpassed her exports by 100 per cent of the value of agricultural products exported in 1947. The ~~population~~ people of Sofia complained about the poor quality bread in 1948, which was due to deliveries of poor quality flour ~~which~~ of which had not been thoroughly cleaned and had too ~~an~~ an admixture. ~~of~~ of the area for fall planting, 20 per cent remained untilled in 1948 because of the fall drought. In the following spring ~~if~~ summer wheat, supplied from the Soviet Union, and barley were planted in these areas. Bulgaria reached 81 per cent of her average 1934 - 1939 grain production in 1946/1947, and according to her plan, she should reach 92 per cent in 1948/1949. The area for corn planting was reduced by 10,000 hectares and the area for wheat planting by 45,000 hectares.

in her 1947 - 1949 Three-Year Plan. This curtailment of grain planting is meant to provide the ~~required~~ area for textile fibres, industrial plants, and increased ~~animal~~ animal husbandry. Special emphasis is placed on the planting of strawberries, soy beans, castor-oil plants, paprika, rose oil, and particularly tobacco. In addition, the planting area for rape, poppy-seed, hemp, linseed, sugar beets, vegetables, and rice is to be increased. Premium payments for planting the above-mentioned plants are given in form of higher prices, natural products, consumer products, and seeds. Increased planting of these products can be ~~done~~ carried out ^{to} in particular on irrigated land, which ~~was~~ 10,351 hectares were added ~~to~~ in 1948. Areas in Bulgaria which ~~were~~

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could be irrigated and estimated to amount to 800,000 hectares. By careful use of it could be raised to one million hectares. Four-fifths of Bulgaria's five million hectares ~~are~~ ~~available~~ land cannot be irrigated. Substantial areas in need of irrigation are ~~located~~ in the Dobruja, and ~~the~~ Danube ~~tributaries~~ supply the needed water. Ninety per cent of Bulgaria's pre-war export consisted of agricultural products, half of which tobacco and cigarettes. In 1946 exports of tobacco and cigarettes ~~were~~ to 75 per cent of Bulgaria's exports and in 1947 ~~it~~ reached 85 per cent. In case of tobacco, the degree of Bulgaria's specialization has been extremely high. None of the products any of the other United States specialize in is planted in the same high percentage. Special products of East-Central European countries ~~were~~ ^{and destined} to provide foreign currency from the west. In almost all of Bulgaria's trade agreements, she appears as a tobacco exporter. The satellite countries will not have any difficulties in exporting the products they specialize in, but if production continues to increase without the corresponding domestic purchasing power, sales ~~will~~ will become more difficult. In addition to concentrating on specialized products Bulgaria is making a great effort to increase animal husbandry. With the exception of horses, her 1948 stock of animals is far above her 1939 stock. This is a very favorable sign of development for her animal husbandry. The 1946 - 1948 Two-Year Plan provides for an increase in egg production by 122 per cent in 1948. This would make Bulgaria the second-largest egg producer in Europe. Within her 1946 - 1948 Two-Year Plan, Bulgaria increased her ~~available~~ land by 53,100 hectares. Bulgaria also has an important reserve ~~now~~ in her 10.52 per cent of untilled land. The ratio of ~~supposed~~ industrial to agricultural production is to change from 70 - 30 to 55 - 45 by 1953. Bulgaria then will still remain/predominantly an agrarian country.

(NOTE - This figure applies to between 1946 and 1953.)

Five-Year Plan investments are ear-marked almost exclusively for industry. In 1946, 1.6 out of 47.4 billion Levas were ear-marked for the state-owned and cooperative section of her agriculture (!), and for 1953, ~~out~~ 9 billion ~~Levas~~ out of 89.3 billion Levas. Here, too, the total cost of industrialization must be carried by Bulgaria's agriculture. In spite of lowering the areas for grain planting, the grain problem is supposed to be solved by increasing the yield per hectare by the end of the Five-Year Plan. Compared with 1938 the average yield of flour

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grain is to increase by 20 per cent and should ~~max yield~~ ^{amount to} 150 kilograms per decare, while oil plants ~~xxx~~ is to increase by 71 per cent, of fiber plants by 200 per cent, of sugar beets by 113 per cent, and of vegetables by 200 per cent. ~~xxxxxx~~ It is expected that the Five-Year Plan will materially improve the standard of living. ~~xxxxx~~ Because of ~~her~~ favorable situation, Bulgaria will be able to satisfy her own food requirements and export her specialized products. And because of Bulgaria's proven union structure her production will suffer the least from collectivization.

Albania - 1947

~~138,500~~ Albania, with an area of 27 529 square kilometers and a population of 1,312,000 ~~(sic)~~, is the smallest of the satellite states but of political importance. ~~xxxxxx~~ Only 42 per cent of ~~Bulgaria~~ ^{Albania} is agriculturally ~~useable~~, and ~~xxxxx~~ only 26.4 per cent is arable land. Bulgaria is predominantly pasture land (71.3 per cent of ~~her~~ agriculturally ~~useable~~ land). Grain is planted on 54.4 per cent of her arable land, while 45.0 per cent of it is unutilized. Albania's agriculture is carried on very extensively. Ownership changed on 312 000 hectares in the course of the agrarian reform, and 200 000 agricultural workers and small-scale farmers - which constitute 25 per cent of her farm population - have received land. ~~xxxxxx~~ planting area was raised by 24 000 ~~hectares~~ ^{hectares} to 328 000 hectares in 1948. Fifty-nine per cent of ~~xxxxxx~~ ^{Albania} 1948 budget was ~~xxxxxx~~ spent for agriculture. In spite of this investment, Albania can ~~only supply~~ ^{own} ~~her~~ requirements. The grain products planted are corn and a little more than half of her ~~xxxxx~~ grain. ~~xxxxx~~ wheat. In spite of the necessity to directly intensify her available reserves, Albania does ~~xxxxx~~ everything possible ~~xxxxxx~~ to change her agricultural structure. From ~~the~~ machine stations to ~~the~~ agricultural unions, efforts are made to give complete control of agricultural production to the state-owned section of agriculture, which amounted to 32.7 per cent in 1945 and to 79.5 per cent in 1947. Because of her naturally unfavorable situation, Albania will never have any substantial surplus of agricultural goods. However, because of ~~her~~ substantial reserves, it is possible for Albania to become self-sufficient, particularly ~~as~~ because ~~she~~ ^{is} going

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a change from the present extensiveness to intensified agriculture holds great promise.

Conclusion.

Production.

In spite of all the differences in the individual countries, a general outline can be given, allowing us to set up certain basic principles for the agricultural production and consumption of the satellite states. Here it becomes necessary to place the agriculture of the satellite states within the framework of the extensive process of industrialization, bringing varying effects to bear upon agricultural production and consumption.

The satellite states' agricultural production has suffered greatly because of the war, particularly in regard to ~~livestock and equipment~~ and ~~seed and live inventory~~. In the course of the second agrarian reform 19 170 000 hectares of land, an area equal to the size of two of the satellite states, namely Hungary and Bulgaria, was ~~expropriated~~ distributed among poor and people who ~~xxx~~ owned little capital or no land. Lack of ~~seed and live~~ ~~inventory~~ prevailing in the most of the numerous newly established small and very small farms had a negative influence on agricultural production, ~~enterprises managers~~ as did the lack of experience of the new ~~XXXXXX~~ ~~peasant~~ ~~who have~~ ~~ability to live (or land-roots)~~ never before ~~were~~ managed any enterprise. Eviction of millions of ~~XXXXXX~~ and able farmers (regardless whether farm owners or farm workers) helped to aggravate the situation. The 1947 drought aggravated this situation further, causing a serious food crisis, which could be overcome only by imports. In the meanwhile agricultural production has recovered to the extent to insure vegetable food requirements. Even surpluses in production can be expected because of increased planting of special products; ~~which will~~ these surpluses will ~~be~~ flow into the Soviet Union. They are difficult to figure, because they don't appear in any statistics. According to reliable reports, ~~everyday~~ with ~~20 trains of 40 railroad cars~~ each went ~~from October 1948 to 1 May 1949~~ ~~to Przemysl~~, where ~~they were~~ switched over to Soviet ~~rails~~. This type of transfer to the east, figured on a six-

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monthly basis, equals ~~xx~~ an export of 2,160,000 tons of grain. Similar quantities were transferred to the east via Cop; ~~some~~ formerly from Yugoslavia, and at present ~~they~~ from Hungary. As ~~it~~ is the case with deliveries from the Eastern Zone of Germany via Rostock, Ruestrin, and Frankfurt/Oder, products are taken ~~away~~ from the satellite states which they could ~~use very well~~ themselves. These products will make it very easy for the Soviet Union to appear as ~~the~~ saviour in case of food emergencies. It can be assumed that the Soviet Union is building up a big ~~stock~~ of grain which she ~~could~~ use for military and political purposes. Celebrations in Vienna near Cop, winding up the transfer of 60,000 railroad cars of grain from the Soviet Union to Czechoslovakia, show how much it means to the Soviet Union to appear ~~xx~~ in the role of a helper. The six agricultural export states among the satellite states were forced to import 2.5 million tons of grain in 1947, most of it from the Soviet Union. Even though a repetition of the 1947 food crisis is not to be expected under almost any time normal conditions of production, a grain shortage may occur/because of the speed-up in changing ~~xxxx~~ the agricultural structure of the satellite states lowering their grain planting area. This may force the satellite states concerned to turn to the Soviet Union as their future grain supplier. In case of war, the stock of grain on the western border of the Soviet Union offers the advantageous possibility ~~for feeding~~ the ~~then~~ starving West-European people, making grain a political weapon ~~for~~ the Soviet Union.

As/ seen from Western Europe, the satellite states ~~xxxxxxxxxxxxxx~~ changed from grain production to the production of processed foods. The Soviet Union wants to help along in this development ~~within~~ the framework of ~~their~~ own planning. The Soviet Union wants to ~~help~~ grain production in ~~their~~ own country and ~~/%~~ processing ~~xxxxxx~~ in satellite states ~~which~~ could then provide foreign currency from the West. Good natural conditions for the changeover of part of their agricultural production to special products ~~are available in various~~ absolute ~~satellite states~~, on the other hand, there is no/economic necessity to go into processing of agricultural products. It was always easy ~~xxxxxx~~ for the satellite states to sell their grain surpluses, but this might not be true for their special products ~~/~~ quantities ~~xxx~~ increased by new plantings. This is the beginning of a

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rationing system used successfully by the Soviet Union within her own borders. E.g., She concentrated on cotton planting in Turkestan and supplied wheat from Central Siberia. Even though this system of specialization unduly burdened the transportation system, specialization in products not needed for self-sufficiency was carried out, because it ~~will~~ the desired dependence. Only after the next Five-Year Plan has been published will it be possible to definitely know whether this supposition ~~is~~ correct. But it is in line with Soviet policy to bring newly acquired territories into economic dependence on them. Only Yugoslavia countered this policy by increasing its wheat planting area. The decrease of the planting area for bread-flour grain by 600,000 hectares is not necessarily in the interest of the Satellite States, because their assured grain export is replaced by a not-so-assured export of special products.

Consumption.

The industrialization of the Satellite States, which ~~has~~ speeded up with all means available, ~~now~~ leads to a considerable change in consumption. Millions of agricultural workers who were not productively employed and who lived on almost the minimum needed to survive have been ~~immediately~~ absorbed as productive industrial workers. They changed their domicile from the village ~~to~~ the seat of industry, which is mostly in towns. Urbanization and concentration of their population will progress quickly in the Satellite States. Normally this would cause a great change in consumption, because the industrial worker in the city needs more concentrated food rich in fat and protein, ~~and~~ which is more than the agrarian ~~population~~ of East-Central Europe could afford until now. The ~~up-to~~ present basic food, consisting of potatoes and bread in Poland and of corn in the southeast, ~~will~~ be replaced by a different food requirements. Urbanization and industrialization would also increase the consumption of specialized agricultural products. So far as animal products are concerned, one must expect ~~a short supply~~ ^{to be in short supply} for several years to come. In the Satellite States This short supply could become very serious if industrialization had to be carried through with the aid of foreign credits.

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This shortage will be alleviated soon because the standard of living ~~is not~~ of ex rising ~~standard~~, but ~~is reduced by limiting daily consumption in~~ ~~articles of daily use, etc., by planned limitation of~~ ~~power of to be absorbed by capital~~ ~~and by planned limitation of~~ ~~investments. This lowering ~~of the~~ ~~adjust it to the~~ standard of living~~ ~~will bring it to the standard of living in the Soviet Union.~~

~~This~~ is in the interest of the Soviet Union ~~to prevent~~ the effect ~~of the~~ ~~higher standard of living in an occupation troops, etc. It will be easy for~~ ~~it is easy & demoralizes~~ ~~the individual to limit standards~~ ~~bring about~~ ~~program~~ ~~standard of living~~. Take Hungary for instance. The Hungarian ~~xxxxxx~~ Five-Year Plan provides investments amounting to 25 billion forints, or seven billion forints annually. Since the number of workers in Hungary is three million and their average monthly salary 700 forints, the investment quota for the individual is 2000 forints annually. With a 700-forint monthly salary every working Hungarian must contribute 3½ months' salary annually ~~for~~ ~~the financing of~~ ~~financing~~ the Five-Year Plan. Lowering the income will have a greater effect on the consumption of ~~most~~ animal products than it will on basic foods, e.g., grain, corn, and potatoes. In this respect the large investment means great limitation in the consumption of concentrated ~~xxxi~~ quality products, particularly animal products. Members of the agrarian reserve army had such a low standard of living ~~until~~ that ~~they exist~~ as industrial workers will mean great progress ~~to him~~ even under the pressure of the investments. The agrarian over-population ~~which offers~~ ~~which offers~~ ~~institutes~~ ~~reserve army for the expanding industry~~ ~~with a very favorable~~ ~~for meeting the requirements of the~~ ~~labor~~ ~~labor factor~~.

In reacting changing effects of Agricultural and Industrial Production.

not only does the ~~the~~ ~~of drawing off~~ ~~the~~ ~~positive effect~~ ~~on agriculture of these countries~~ ~~the agricultural over-population~~ ~~but this part of the population~~ ~~later~~ ~~will~~ ~~on paid~~ ~~in the consumption of processed products.~~ Decisive ~~for~~ agricultural production is the prompt and, in comparison with agricultural products, low-priced delivery of agricultural machinery and equipment. In this respect ~~the~~ planning ~~capital investments~~ ~~of such a~~ ~~which will~~ ~~provides for the production of agricultural equipment which will~~

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favorably influence agricultural production. This is particularly true ~~for~~ of electrification, which ~~xxxxx~~ has its place in all the planes and which will also be helpful to agriculture. The same is true ~~for~~ the production of artificial fertilizers, ~~which~~ and higher quotas set ~~xxxxxx~~ for which fixed sums have been earmarked in all the planes. And last but not least, substantial production figures have been fixed for the production of tractors and agricultural machinery. These machines, however, are almost exclusively for use in large enterprises ~~which~~ and will help to intensify agriculture after the agricultural structure has been changed into the form of large enterprises. All satellite states will change from being predominantly agrarian states into agrarian-industrial or, in most cases, into industrial-agrarian states. As was the case in the Soviet Union, the first step will be to form an industrial proletariat. This process is in full swing in the Satellite States. In order not to jeopardize production, the slow submissioⁿ of agriculture ~~was chosen instead of~~ the Nop (~~New Economic Policy?~~). The change in the ~~existing~~ structure of agriculture ~~xxxxxxxxxxxxxx~~ (collectivization) can be carried out only by subjecting it to the law of equalizing production and requirements.

Basic Study
Summary statements of principles.

1. The agriculture of the satellite States has suffered great losses ~~on~~-dead and ~~agricultural~~ ~~as the result of the~~ ~~and live~~ inventory due to events of World War II, ~~thereby~~ causing a decrease in their production capacity.
2. The second agrarian reform, distribution of land to incapable forces, partly ~~fully~~ ~~forcefully~~ ~~and~~ ~~after~~ evicting experienced people, the insecure ownership position caused by the preparations for collectivization, have substantially lowered the will to produce and the production capacity of agriculture in the satellite states.
3. Coinciding with very unfavorable weather conditions in 1946 and 1947 a food crisis appeared in 1947 and 1948 in all satellite states, which could ~~not~~ ~~overcome~~ ~~overcome~~

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be overcome only ~~xxxxxx~~ by imports, chiefly from the Soviet Union.

4. Quantities of grain which have been leaving the Satellite States via Przemysl and via Con constitute a reserve which, should in case of war, the western fleets not be able to supply Western Europe or should the Soviets advance into Western Europe, ^{could} be used to feed the starving population and thereby ~~would~~ be of decisive military and political importance for the Soviet Union.
5. The agricultural production of the Satellite States ^{reflected} constitutes a very high ~~ratio~~ of production compared with the Soviet Union's agricultural production. For this reason ~~xxx~~ Soviet planners pay special attention to the agriculture of the Satellite States in their plans.
6. Soviet planning concerning the Satellite States ^{concentrates} ~~partly~~ ^{on} beginning with ~~xx~~ a social change in the structure of the ~~satellite states'~~ ^{economic} agriculture. In regard to production, planning as shown in the plans ~~concerning~~ ~~the~~ shows the decrease of grain planting and an increase in the planting of special products; ~~xxxxxx~~ continuation of this process will ~~xxxxxx~~ ^{the} ~~xxxxxx~~ bring to an end grain exports by Satellite States.
7. Within the scope of Soviet planning the position of the Satellite States is one of a border region, self-sufficient in grain, but dependent on the Soviet Union ~~in time of an emergency~~ (~~or~~ in bad times). By selling specialized and processed products to the West, these areas can provide foreign currency, and in case of ~~a~~ market crisis they again would be dependent on the Soviet Union. Here specialization becomes a medium for economic and political dependence. Without ~~the~~ grain deliveries of the Satellite States to Western Europe ^{the} ~~which has helped to provide~~ up to the present prevailing ^{what it} agricultural-industrial division of labor between Western Europe and East-Central Europe is greatly reduced. Western Europe is forced to import ~~their~~ needs from overseas, and in case communications were interrupted both parties would be hurt. Increased dependence of Western

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Europe upon agricultural supplies from overseas, also ~~is~~ in the interest of Soviet policy.

8. In spite of all the difficulties, agricultural production is on the increase in the Satellite States. It has reached pre-war level in some branches of animal husbandry, will reach that level in cattle raising in a few years; and one can expect the vegetable production to reach pre-war level within half a decade.
9. Agricultural development is slowed down by the great sacrifices agriculture has to make in ~~its~~ ^{economic} order to speed up industrialization. Investments for agriculture amounting to 10 - 30 per cent, as planned in ^{economic} ~~plans for several~~ ~~years~~, are not in accord with the importance of agriculture in those countries.
10. A decrease in the stock of work animals, caused by the change in the social structure of agriculture in the Satellite States, frees substantial areas for products ~~of~~ human consumption. It gives the agricultural production of the Satellite States greater reserves which can be used for fodder production or for the planting of special products.
11. Industrialization, speeded up in the Satellite States by ^{economic} ~~plans for several~~ ~~years~~, reduces the agricultural over-population and increases urbanization.
12. Urbanization in the Satellite States brings a change in food consumption, from low-quality to high-quality foods, and from vegetable to animal products.
13. This change is not yet too apparent because ~~the~~ high capital investments force a lower standard of living in regard to daily consumption in the Satellite States; their standard of living ^{is} ~~that~~ setting closer to the one ~~existing~~ ^{average} of the people in the Soviet Union and far away from the western standard of living.

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14. The food situation has again improved in the Satellite States ~~since~~ after the food crisis in 1947/1948, which more or less affected all the Satellite States. ~~There~~ A meat and fat shortage still exists in almost all Satellite States. Exports of processed animal products ~~xxxxxx~~ curtail consumption of those products by the ~~domestic~~ ^{general} population.

15. The Satellite States' supply of vegetable products is sufficient/because of the good 1948 harvest and the expected good harvest in the middle of 1949. The quantity of agricultural exports is not bound ~~by~~ any strict laws because of the liability ~~of the domestic requirements~~ ^{of the domestic requirements} of the Satellite States. ~~regarding to their domestic requirements~~ ^{regarding} should compelling political or economic reasons ^{require} exports of greater quantities of agricultural products, ~~then~~, the Satellite States could do so at any time by cutting their domestic consumption.

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SECRETStatistics.Table 1.

The Areas of the satellite states after World War II.

1. Poland	323 000 sq kilometers
2. Czechoslovakia	127 637 "
3. Hungary	92 916 "
4. Yugoslavia	247 495 "
5. Romania	237 203 "
6. Bulgaria	110 279 "
7. Albania	27 529 "

Total 1 166 253 sq kilometers

Table 2.

Population of the satellite states (1946 - 1948) in Millions.

1. Poland	25.0 (1946)
2. Czechoslovakia	12.325 (1946)
3. Hungary	9.333 (1946)
4. Yugoslavia	14.3 (1946)
5. Romania	15.873 (1946)
6. Bulgaria	7.021 (1947)
7. Albania	1.003 (1947)

65.055 million people.

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SECRETTable 1.

Density of Population per Square Kilometer.

1. Poland	77.4
2. Czechoslovakia	64.6
3. Hungary	106.0
4. Yugoslavia	59.3
5. Rumania	54.0
6. Bulgaria	63.8
7. Albania	55.5

Table 4.(a) Percentage of Agricultural land (of total area available for agriculture) (1929)

	(a) %	" pasture and grazing land	(b) %
1. Poland	74.0		26.0
2. Czechoslovakia	70.9		29.1
3. Hungary	76.7		23.3
4. Yugoslavia	55.0		45.0
5. Rumania	75.9		24.1
6. Bulgaria	73.7		26.3
7. Albania	26.0		74.0

Table 5.Percentage of arable land of the total land Used for Grain.

1. Poland	46.4
2. Czechoslovakia	40.9
3. Hungary	57.0
4. Yugoslavia	62.2
5. Rumania	64.9
6. Bulgaria	52.4
7. Albania	54.4

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SECRETTable 6.

Percentage of fodder plants of the Arable Land Used for Hulden Crops	
1. Poland	4.9
2. Czechoslovakia	13.3
3. Hungary	10.6
4. Yugoslavia	3.29
5. Rumania	3.6
6. Bulgaria	2.0
7. Albania	0.3

Table 7.

Percentage of root crops of the Arable Land Used for Root Crops	
1. Poland	11.7
2. Czechoslovakia	11.5
3. Hungary	4.6
4. Yugoslavia	4.10
5. Rumania	1.5
6. Bulgaria	0.6
7. Albania	uninown.

Table 8.

Changes in Agricultural Ownership in East-Central Europe. Ex Land exappropriated, in 1,000 hectares of Tilled Land:	
1. Poland	7 611
2. Czechoslovakia	4 800
3. Hungary	3 200
4. Yugoslavia	1 750
5. Rumania	1 400
6. Bulgaria	100
7. Albania	<u>312</u>
Total	19 173

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SECRETTable 9.

<u>Maximum permissible private ownership of Land</u>		
1. Poland	50 - 100 hectares	
2. Czechoslovakia	50	"
3. Hungary	20 - 50	"
4. Yugoslavia	35	"
5. Romania	50	"
6. Bulgaria	10	"
7. Albania	5 - 10	"

Table 10.

Actual and Planned
Grain production in 1946/47 and according to plan, compared with grain
production in 1934 - 1939 (in 1,000 tons).

	Grain Production		Percentage of 1934-39	Planned Grain Production according to Plan	Percentage of 1934-39
	1934/39	1946/47			
1. Poland	8 817	3 388	38 %	1949/50: 7 540	86 %
2. Czechoslovakia	2 990	2 449	82 %	1948/49: 2 672	89 %
3. Hungary	2 917	1 551	53 %	1949/50: 2 340	80 %
4. Yugoslavia (wheat)	2 467	2 117	86 %	1951/52: 2 990	121 %
5. Bulgaria	2 098	1 692	81 %	1948/49: 1 929	92 %

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